

City of Ashland Marina

301 N Ellis Ave

Ashland, WI 54806

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AUG 17 2012

DNR SPOONER

August 15, 2012

Dear Sirs:

I would like to thank you for taking the time to visit me recently regarding our concerns about the Superfund cleanup and its effects on the Ashland Marina. The following is a brief history of our dealings with Xcel Energy and possible options that could be explored.

On April 17, 2012, a meeting was held at Xcel Energy to have preliminary discussions regarding the clean up area that is currently utilized for boat storage. It was my understanding from the meeting that we would have to move the boats in storage temporarily to allow the area to be capped with asphalt. At the completion of that process the marina would have the ability to utilize the area for storage. With no other communication, I was in receipt of a letter from Xcel Energy (June 25, 2012 -see attached) indicating that the Harbor Commission would need to start making arrangements to remove vessels from this area for the duration of the project, 2-5 years. This would be devastating to the marina at an estimated loss in revenue of \$62,000/year or in excess of \$310,000 over the course of the project.

In 2011, City of Ashland Marina completed a \$1.4 million dollars of renovation of its bulkhead and docks. The repayment of the general obligation notes, for dock renovations, is solely based on the revenue accrued by storage and slips leases at the marina and does not require contributions from the City of Ashland's general fund. The convenience of having winter and summer storage available to Ashland Marina customers is essential to the marina's revenue stream. If we were to lose storage area, customers will leave the marina due to this inconvenience. This dramatic loss of revenue would require us to obtain support from the city's general fund to honor our outstanding note. It would be unfortunate for Xcel Energy to compromise the Harbor Commission's hard work and commitment to providing a superior marina facility that has been fiscally independent of the taxpayers by Xcel Energys inability to work cooperatively to reach a solution that would benefit all parties. It will take years to regain the fiscal stability and customer base that we have worked hard to create over the past 24 years.

In an effort to work cooperatively, I have looked at other areas that could be utilized by the marina for storage purposes. Other areas that have been considered are C. Reiss Coal Dock, Kreher Park Camp ground, Marina Park Peninsula, and private properties. All these options will require substantial improvements such as : gravel , paving, lighting and fencing. The expense of hauling boats to a remote storage area and upgrading infrastructure makes it financially prohibitive for the Marina.

I would propose that the following changes be made to the current boat storage area:

- As of November 2012 continued use of half of current 2 acre storage area. 1 acre. ( Only if access agreement is successfully negotiated with the City of Ashland)
- Original storage area would be capped sometime between June 15, 2013 & September 7, 2013 which would not interfere with Fall 2013 boat storage season.
- Full use of original 2 acres of storage area and all electrical and water amenities restored to preexisting condition by September 7, 2013.

Your consideration in this matter is greatly appreciated.

Sincerely,

Scott Stegmann, Ashland Harbor Master

A handwritten signature in cursive script, reading "Scott Stegmann", followed by a long horizontal flourish.